

March 21, 2002

California Energy Commission
Docket Unit, Docket # 99-DIST-GEN-(2)
1516 Ninth Street, MS-4
Sacramento, CA 95814

Response to:

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 99-DIST-GEN-(2)
)	
Exploring Revisions to Current Interconnection)	
Rules Between Investor-owned and)	Energy Commission Distributed
Publicly-owned Utility Distribution Companies)	Generation Strategic Plan
And Distributed Generation)	
)	
Evaluating CEQA Procedures for Siting)	
Distributed Generation Facilities)	February 21, 2002

COMMITTEE SCHEDULE ORDER AND
CALL FOR ADDITIONAL COMMENTS

Draft Outline (2/20/02), Strategic Plan for Distributed Generation

Comments referenced by item number:

I. Purpose and Scope of Distributed Generation Strategic Plan

Suggest adding item E. Recommend legislation that will support the policies and strategies included in the approved Strategic Plan.

II. Vision, Mission and Principles

Suggest defining affordable, clean, reliable, and readily accessible energy services. What do these terms mean. For example: Does “affordable” mean 5% of the consumer’s income? Does “clean” mean zero emissions? Does “reliable” mean no blackouts? How is “benefit” determined?

It is assumed that the Energy Commission will deploy any distributed generation technology that fits the definitions stated above and the criteria developed for program implementation.

Is the “environment” the general environment outside buildings, inside buildings, or both? Is it aimed at the environment affected by the off-site central power plant and its distribution system, or on the power generated at the site of use by the distributed technology?

What does distributed generation have to do with more “consumer control over energy use?” Generation technologies deliver electricity to the site, regardless of how it is used? Does this include Thermal Energy Storage systems aimed at manipulating utility time of use rates to reduce user costs and improve utility load factors?

III. DG Overview: Technologies and Markets

A. How large is a “small scale electric generating technology?”

- B. Suggest adding item 3. Potential. This would discuss the potential impact and capability of the DG technologies to deliver power over time, etc.

IV. Deployment Issues and Opportunities

It is not clear what the DG markets are. Does the reference to current markets include utility power generation markets and installations of onsite photovoltaics? These are quite different markets.

From a regulatory standpoint, permits for utility power plants are vastly different than local building permits and their associated costs.

V. Potential Role of Government in Addressing Issues and Opportunities

In addition to the roles identified, two key roles should also be considered, that is, promotion and ongoing DG system research & development.

The CEC should also establish an evaluation tool that will look at the total costs and benefits (apples to apples) of centralized and distributed generation systems.

VI. Guidance to Other State Agencies

In addition to the agencies identified, also include agencies that represent specific building and use types (e.g. schools, water treatment plants, recreation & parks, etc.)

VII. Strategy Options and Goals for the Energy Commission

(A.2.) Somewhere in the program there should be involvement from the building industry and the local agencies that regulate the building industry.

(B.) The first overall goal is great, but the mid-term and near-term goals seem to assume an existing strategy that has not been defined. I assume that these are examples of the types of goals and strategies that will be developed. They could change depending on the final vision, mission, and principles, and results of other activities identified in the outline.

The near-term strategies should be aimed at developing a viable DG program, removing barriers to its implementation, and preparing the defined markets for change.

Thank you for inviting me to participate in this important proceeding. I believe that development of an effective distributed generation industry is critical for maintaining the continued growth and improving the quality of life provided by the State of California.

I realize that my comments are rather short and concise, but I hope to the point. If you have any questions or would like additional information please give me a call.

Respectfully submitted,

Craig W. Hoellwarth, Principal
GREEN INQ
9413 Cedarview Way, Elk Grove, CA, 95758
(916) 683-5151, fax 683-8378
Email: WestDakota@aol.com